

Message Text

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ORIGIN AF-08

INFO OCT-01 ISO-00 ONY-00 /009 R

DRAFTED BY AF/W.EWLOLLIS:DFP

APPROVED BY AF/W-RHOUEK

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FM SECSTATE WASHDC

TO AMEMBASSY LAGOS IMMEDIATE

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E.O. 11652:N/A

TAGS: EFIN, EINV, NI

SUBJECT: INDIGENIZATION, PFIZER, AND AIIC

REF: A) LAGOS 13285; B) STATE 291946

1. WE THOUGHT YOU WOULD LIKE TO HAVE THE FOLLOWING
OBSERVATIONS PRIOR ANY MEETING WITH JODA.

2. REF (B) DRAFTED BY EB. ITS OPERATIVE SENTENCE IS
QUOTE WE CONCUR WITH APPROACH IN THE MANNER SUGGESTED
UNQUOTE IN LAGOS 13175. DEPARTMENT THEREFORE EXPECTS YOU
TO MAKE DEMARCHE ON INDIGENIZATION IN GENERAL. TO EXTENT
POSSIBLE, THIS DEMARCHE SHOULD BE KEPT SEPARATE FROM
REPRESENTATIONS ON BEHALF PFIZER, BUT WE RECOGNIZE THAT
YOU MAY FIND IT EXPEDIENT TO DISCUSS BOTH QUESTIONS AT
SAME MEETING, ESPECIALLY IF APPOINTMENT TO SEE JODA COMES
THROUGH. REF (B) AND THIS MESSAGE SENT IMMEDIATE IN HOPE
YOU WOULD HAVE THEM PRIOR TO TAKING ACTION ON PFIZER.

3. THREE EXECUTIVES OF AMERICAN INTERNATIONAL GROUP
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(SHELP, NOTTINGHAM, AND MALLOY) MET DECEMBER 1 AT EB'S

REQUEST WITH REPRESENTATIVES OF EB, L, AF/W, AF/EPS, USDOC, CIEC, AND TREASURY. THEY REPORTED THAT \$2.3 MILLION IN REMITTANCES, INCLUDING APPROXIMATE \$350,000 COMPENSATION

FOR THE 49 PERCENT SALE OF AIIC, HAS BEEN CLEARED BY THE CENTRAL BANK AND IS ENROUTE TO NEW YORK. THEY EXPECT TO CONFIRM WITHIN HOURS THAT THE MONEY ACTUALLY RECEIVED AND THAT THEY WILL THEN REQUEST USG TO DELIVER NOTE HELD UP IN AUGUST. (SEE STATE 192859, LAGOS 9253, AND STATE 203942). WE CANNOT PREDICT DEPARTMENT'S DECISION AT THIS TIME, BUT YOU MIGHT RPT MIGHT BE INSTRUCTED ON SHORT NOTICE TO DELIVER SAME OR SIMILAR NOTE. FYI, AIG REPS MAINTAINED THAT DOCUMENT SIGNED MAY 17 WAS NOT QUOTE SALES AGREEMENT, UNQUOTE THAT IT CONTAINED WORDS QUOTE COMPULSORILY ACQUIRED, UNQUOTE AND THAT AIG LETTER RESERVING COMPANY RIGHTS WAS ACCEPTED BY FMG AT TIME OF SIGNING. THIS CONTRADICTS WHAT COMPANY TOLD US AT THE TIME. (SEE LAGOS 5690 AND STATE 138651). AIG PROMISED MAIL US COPIES OF THE RELEVANT DOCUMENTS LATER THIS WEEK.

4. RE LAGOS 12701, WOULD BE HELPFUL KNOW (1) WHICH MINISTRY INFORMED LEFEVRE THAT FMG DESIRES PURCHASE ADDITIONAL 11 PERCENT, (2) WHY LEFEVRE SUSPECTS PRICE WILL BE MORE GENEROUS THAN FOR THE 49 PERCENT, AND (3) IF FIRMS IN INDUSTRIES OTHER THAN BANKING AND INSURANCE HAVE RECEIVED SIMILAR NOTICES FROM FMG. FYI, NOTTINGHAM SAID THAT HE SUSPECTS MANY FIRMS HAVE RECEIVED SUCH NOTICES AND THAT HE KNOWS THAT BHOJSONS HAS APPLIED TO AIIC FOR INCREASE IN FIRE INSURANCE FROM EIGHT MILLION (DOLLARS? NAIRA?) TO FIFTEEN MILLION IN ORDER DOCUMENT VALUE OF ASSETS FOR PURPOSE OF INDIGENIZATION.

5. FORBES ISSUE OF DECEMBER 1 DOES INDEED HAVE SEVEN-PAGE FAVORABLE COVER ARTICLE ON NIGERIA. ROBINSON

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